

State: District of Columbia **Filing Company:** The Mega Life and Health Insurance Company
TOI/Sub-TOI: H15G Group Health - Hospital/Surgical/Medical Expense/H15G.001 Any Size Group
Product Name: DC MEGA AG Situs
Project Name/Number: /

Filing at a Glance

Company: The Mega Life and Health Insurance Company
 Product Name: DC MEGA AG Situs
 State: District of Columbia
 TOI: H15G Group Health - Hospital/Surgical/Medical Expense
 Sub-TOI: H15G.001 Any Size Group
 Filing Type: Rate
 Date Submitted: 01/28/2014
 SERFF Tr Num: MGCA-129388638
 SERFF Status: Closed-FILED FOR INFORMATION
 State Tr Num:
 State Status:
 Co Tr Num: DC MEGA AG SITUS 201403 DC MEGA 16099
 Implementation: 03/01/2014
 Date Requested:
 Author(s): Chanel Rodriguez, Sommay Khounlo
 Reviewer(s): Darniece Shirley (primary), Alula Selassie, Donghan Xu
 Disposition Date: 02/04/2014
 Disposition Status: FILED FOR INFORMATION
 Implementation Date: 03/01/2014

State Filing Description:

State: District of Columbia **Filing Company:** The Mega Life and Health Insurance Company
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General Information

Project Name: Status of Filing in Domicile: Pending
Project Number: Date Approved in Domicile:
Requested Filing Mode: Informational Domicile Status Comments: Our state of domicile is Oklahoma.
Explanation for Combination/Other: Market Type: Individual
Submission Type: New Submission Individual Market Type: Non Employer Group - Individual
Overall Rate Impact: Filing Status Changed: 02/04/2014
State Status Changed:
Deemer Date: Created By: Chanel Rodriguez
Submitted By: Sommay Khounlo Corresponding Filing Tracking Number:
PPACA: Grandfathered Immed Mkt Reforms

PPACA Notes: null

Include Exchange Intentions: No

Filing Description:

We are filing rate changes for your information to our Grandfathered (GF) association group health benefit plans. These plans were individually underwritten for residents in the following states: AL, AZ, FL, ID, GA, LA, MO, NE, NC, OR, PA, TX and WY. The rate change will be effective for Grandfathered members on 3/1/2014; or 4/1/2014 in the states that requires 45 to 60 days member notice. MEGA is not issuing any new health benefit plans under the affected forms at this time. Advance notification of this rate change will be provided to certificate holders subject to the number of days required by the state.

Company and Contact

Filing Contact Information

Chanel Rodriguez, chanel.rodriguez@healthmarkets.com
9151 Boulevard 26 817-255-6427 [Phone]
North Richland Hills, TX 76180

Filing Company Information

The Mega Life and Health Insurance Company	CoCode: 97055	State of Domicile: Oklahoma
9151 Boulevard 26	Group Code: 264	Company Type:
North Richland Hills, TX 76180	Group Name:	State ID Number:
(817) 255-3100 ext. [Phone]	FEIN Number: 59-2213662	

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:

State:	District of Columbia	Filing Company:	The Mega Life and Health Insurance Company
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Rate Information

Rate data applies to filing.

Filing Method:

Rate Change Type: %

Overall Percentage of Last Rate Revision: %

Effective Date of Last Rate Revision:

Filing Method of Last Filing:

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
The Mega Life and Health Insurance Company	Increase	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

Product Type:	HMO	PPO	EPO	POS	HSA	HDHP	FFS	Other
Covered Lives:								1
Policy Holders:								0

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Rate Review Detail

COMPANY:

Company Name: The Mega Life and Health Insurance Company
HHS Issuer Id: 62125

PRODUCTS:

Product Name	HIOS Product ID	HIOS Submission ID	Number of Covered Lives
N/A-This is a situs informational filing.			1

Trend Factors:

FORMS:

New Policy Forms:

Affected Forms: N/A

Other Affected Forms:

REQUESTED RATE CHANGE INFORMATION:

Change Period: Other
Member Months: 0
Benefit Change: None
Percent Change Requested: Min: 0.0 Max: 0.0 Avg: 0.0

PRIOR RATE:

Total Earned Premium: 0.00
Total Incurred Claims: 0.00
Annual \$: Min: 0.00 Max: 0.00 Avg: 0.00

REQUESTED RATE:

Projected Earned Premium: 0.00
Projected Incurred Claims: 0.00
Annual \$: Min: 0.00 Max: 0.00 Avg: 0.00

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Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	
Attachment(s):	DC MEGA AG Situs Cover Letter.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Certificate of Authority to File
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	DC MEGA AG Situs Act Memo.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Justification
Bypass Reason:	N/A-This is not a new form filing.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

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Bypassed - Item:	Consumer Disclosure Form
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	N/A-This is for Grandfathered only.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	N/A-This is for Grandfathered only.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Supporting Documents
Comments:	
Attachment(s):	DC - Rate Increase Development Exhibits.pdf DC MEGA AG Situs NAIC Transmittal.pdf
Item Status:	
Status Date:	

January 24, 2014

Government of District of Columbia Department of Insurance
Securities and Banking
Actuarial Analysis Division
810 First Street NE, Suite 701
Washington, D.C. 20002

RE: The MEGA Life and Health Insurance Company (MEGA)
Company NAIC # 264-97055
Company FEIN # 59-2213662
Rate Filing for Grandfathered Association Group Plans (Non Small Employer)

Dear Sir or Madam:

The MEGA Life and Health Insurance Company respectfully submits rates for your information for our Grandfathered association group health benefit plans. These plans were individually underwritten for residents in the following states: AL, AZ, FL, ID, GA, LA, MO, NE, NC, OR, PA, TX and WY. When qualified, the applicant was issued a Certificate of Coverage under an association group master policy that is issued in the District of Columbia. At this time, MEGA has ceased all new sales under the filed association group health benefit plans. However, at this time, MEGA does intend to continue renewing and administering these inforce blocks of business.

The rate action for the Scheduled Plans, Non-Scheduled Plans, and Riders is based on each state's experience taking credibility, taxes, fees, and assessments into consideration while the ACE rider is based on nationwide experience due to its low claim frequency resulting in significant credibility concerns. Please refer to the Rate Increase Development Exhibits for more details.

Thank you for your review of this rate filing. If you have any questions or need additional information, please feel free to contact me at any time.

Sincerely,



Robert W. Darnell, ASA, MAAA
Phone: (817) 255-3126
Fax: (817) 255-8274
Email: Bob.Darnell@Hmkts.com

The MEGA Life and Health Insurance Company

Administrative Offices: 9151 Boulevard 26, North Richland Hills, TX 76180

Actuarial Memorandum for Health Plan Rate Filing Grandfathered Association Group Health Plans (Non Small Employer)

Purpose

To inform of rate changes on health benefit plan forms.

Scope and Reason

We are filing rate changes for your information to our Grandfathered (GF) association group health benefit plans. These plans were individually underwritten for residents in the following states: AL, AZ, FL, ID, GA, LA, MO, NE, NC, OR, PA, TX and WY. The rate change will be effective for Grandfathered members on 3/1/2014; or 4/1/2014 in the states that requires 45 to 60 days member notice. MEGA is not issuing any new health benefit plans under the affected forms at this time. Advance notification of this rate change will be provided to certificate holders subject to the number of days required by the state.

We are requesting the following rate increases:

State	GF or Non-GF	Product Type	Rate Increase
AL	GF	All Products Types except ACE	18.63%
AL	GF	Accumulated Covered Expense Rider	45.00%
AZ	GF	Non-Scheduled Plans	20.00%
AZ	GF	Accumulated Covered Expense Rider	45.00%
FL	GF	Accumulated Covered Expense Rider	45.00%
GA	GF	All Products Types except ACE	19.22%
GA	GF	Accumulated Covered Expense Rider	45.00%
ID	GF	Accumulated Covered Expense Rider	45.00%
LA	GF	Non-Scheduled Plans	20.00%
LA	GF	Accumulated Covered Expense Rider	45.00%
MO	GF	All Products Types except ACE	20.00%
MO	GF	Accumulated Covered Expense Rider	45.00%

State	GF or Non-GF	Product Type	Rate Increase
NE	GF	All Products Types except ACE	20.00%
NE	GF	Accumulated Covered Expense Rider	45.00%
NC	GF	Accumulated Covered Expense Rider	45.00%
OR	GF	Scheduled Plans	7.08%
OR	GF	Accumulated Covered Expense Rider	45.00%
PA	GF	Non-Scheduled Plans	20.00%
PA	GF	Accumulated Covered Expense Rider	45.00%
TX	GF	All Products Types except ACE	12.59%
TX	GF	Accumulated Covered Expense Rider	45.00%
WY	GF	All Products Types except ACE	11.88%
WY	GF	Accumulated Covered Expense Rider	45.00%

The product types are defined as following: (1) Basic hospital, surgical, medical expense incurred plans that have numerous internal benefit limits and catastrophic expense rider which attach to these plans ("Scheduled Plans"), (2) Preferred provider/catastrophic expense plans ("Non-Scheduled Plans"), (3) Riders that attach to the Scheduled and/or the Non-Scheduled plans and provide for additional benefits with the exception of the accumulated covered expense rider ("Riders"), and (4) the accumulated covered expense rider ("ACE"). Please note that the ACE rider is an optional benefit available on many of the Scheduled Plans and is a small component of the total certificate premium.

The rate action for the Scheduled Plans, Non-Scheduled Plans, and Riders is based on each state's experience taking credibility, taxes, fees, and assessments into consideration while the ACE rider is based on nationwide experience due to its low claim frequency resulting in significant credibility concerns. Please refer to the Rate Increase Development Exhibits for more details.

A rate change amount is determined after credibility adjustment and based on our target loss ratio of 80%, adjusted downward on a state-by-state basis for applicable credibility, taxes, fees, and assessments.

Actuarial Certification

I certify, based on the laws as we know them today, that this rate filing is in compliance with the applicable laws and regulations of this state. I further certify the rates are not excessive, inadequate, or unfairly discriminatory.

Certified by:



Robert W. Darnell, ASA, MAAA

Date:

1/23/2014

Development of Rate Adjustment Based on Trend, Experience and MLR

Alabama - MEGA

		Calculation	ALL PRODUCT TYPES EXCEPT FOR ACE RIDER	ACCUMULATED COVERED EXPENSE (ACE) RIDER - NATIONWIDE
2013 Projection	(1)	Earned Premiums	1,184,521	6,398,865
data through August	(2)	Incurred Claims	839,581	7,513,026
	(3)	Loss Ratio = (2) / (1)	70.88%	117.41%
2014 Projection	(4)	Earned Premiums	856,560	4,751,344
absent Rate Adjustment	(5)	Incurred Claims	639,336	6,694,459
	(6)	Loss Ratio = (5) / (4)	74.64%	140.90%
Target Loss Ratio	(7)	Loss Ratio Rebate Standard	80.00%	80.00%
	(8)	Credibility Adjustment	4.39%	1.99%
	(9)	State Premium Taxes	2.39%	2.38%
	(10)	Federal Income Tax	4.68%	4.68%
	(11)	Health Insurer Tax	2.40%	2.40%
	(12)	Transitional Reinsurance Program Fee	2.20%	2.20%
	(13)	Risk Adjustment Fee	0.03%	0.03%
	(14)	PCORI Admin Fee	0.08%	0.08%
	(15)	Other Fees and Assessments	0.91%	0.91%
	(16)	Total Fees & Assessments = (9) + (10) + ... + (15)	12.69%	12.69%
	(17)	Target Loss Ratio = (7) - (8) - (16)	62.92%	65.33%
Rate Adjustment	(18)	Calculated Rate Adjustment = (6) / (17) - 1	18.63%	115.68%
	(19)	Proposed Rate Increase	18.63%	45.00%
	(20)	Projected Loss Ratio	62.92%	97.17%

* Accumulated Covered Expense Rider (ACE) rate increase development is based on nationwide experience

Development of Rate Adjustment Based on Trend, Experience and MLR

Arizona - MEGA

		Calculation	NON SCHEDULED PLANS	ACCUMULATED COVERED EXPENSE RIDER - NATIONWIDE
2013 Projection	(1)	Earned Premiums	2,376,717	6,398,865
data through August	(2)	Incurred Claims	1,682,305	7,513,026
	(3)	Loss Ratio = (2) / (1)	70.78%	117.41%
2014 Projection	(4)	Earned Premiums	1,764,805	4,751,344
absent Rate Adjustment	(5)	Incurred Claims	1,399,079	6,694,459
	(6)	Loss Ratio = (5) / (4)	79.28%	140.90%
Target Loss Ratio	(7)	Loss Ratio Rebate Standard	80.00%	80.00%
	(8)	Credibility Adjustment	2.60%	1.99%
	(9)	State Premium Taxes	2.29%	2.38%
	(10)	Federal Income Tax	4.68%	4.68%
	(11)	Health Insurer Tax	2.40%	2.40%
	(12)	Transitional Reinsurance Program Fee	2.20%	2.20%
	(13)	Risk Adjustment Fee	0.03%	0.03%
	(14)	PCORI Admin Fee	0.08%	0.08%
	(15)	Other Fees and Assessments	0.91%	0.91%
	(16)	Total Fees & Assessments = (9) + (10) + ... + (15)	12.59%	12.69%
	(17)	Target Loss Ratio = (7) - (8) - (16)	64.81%	65.33%
Rate Adjustment	(18)	Calculated Rate Adjustment = (6) / (17) - 1	22.32%	115.68%
	(19)	Proposed Rate Increase	20.00%	45.00%
	(20)	Projected Loss Ratio	66.06%	97.17%

* Accumulated Covered Expense Rider (ACE) rate increase development is based on nationwide experience

Development of Rate Adjustment Based on Trend, Experience and MLR

Florida - MEGA

			Calculation	ACCUMULATED COVERED EXPENSE RIDER - NATIONWIDE
2013 Projection	(1)	Earned Premiums		6,398,865
data through August	(2)	Incurred Claims		7,513,026
	(3)	Loss Ratio	= (2) / (1)	117.41%
2014 Projection	(4)	Earned Premiums		4,751,344
absent Rate Adjustment	(5)	Incurred Claims		6,694,459
	(6)	Loss Ratio	= (5) / (4)	140.90%
Target Loss Ratio	(7)	Loss Ratio Rebate Standard		80.00%
	(8)	Credibility Adjustment		1.99%
	(9)	State Premium Taxes		2.38%
	(10)	Federal Income Tax		4.68%
	(11)	Health Insurer Tax		2.40%
	(12)	Transitional Reinsurance Program Fee		2.20%
	(13)	Risk Adjustment Fee		0.03%
	(14)	PCORI Admin Fee		0.08%
	(15)	Other Fees and Assessments		0.91%
	(16)	Total Fees & Assessments	= (9) + (10) + ... + (15)	12.69%
	(17)	Target Loss Ratio	= (7) - (8) - (16)	65.33%
Rate Adjustment	(18)	Calculated Rate Adjustment	= (6) / (17) - 1	115.68%
	(19)	Proposed Rate Increase		45.00%
	(20)	Projected Loss Ratio		97.17%

* Accumulated Covered Expense Rider (ACE) rate increase development is based on nationwide experience

Development of Rate Adjustment Based on Trend, Experience and MLR

Georgia - MEGA

		Calculation	ALL PRODUCT TYPES EXCEPT FOR ACE RIDER	ACCUMULATED COVERED EXPENSE (ACE) RIDER - NATIONWIDE
2013 Projection	(1)	Earned Premiums	4,808,957	7,024,696
data through August	(2)	Incurred Claims	3,512,098	7,650,846
	(3)	Loss Ratio = (2) / (1)	73.03%	108.91%
2014 Projection	(4)	Earned Premiums	3,461,732	5,208,222
absent Rate Adjustment	(5)	Incurred Claims	2,691,702	6,815,196
	(6)	Loss Ratio = (5) / (4)	77.76%	130.85%
Target Loss Ratio	(7)	Loss Ratio Rebate Standard	80.00%	80.00%
	(8)	Credibility Adjustment	2.23%	1.84%
	(9)	State Premium Taxes	2.25%	2.38%
	(10)	Federal Income Tax	4.68%	4.68%
	(11)	Health Insurer Tax	2.40%	2.40%
	(12)	Transitional Reinsurance Program Fee	2.20%	2.20%
	(13)	Risk Adjustment Fee	0.03%	0.03%
	(14)	PCORI Admin Fee	0.08%	0.08%
	(15)	Other Fees and Assessments	0.91%	0.91%
	(16)	Total Fees & Assessments = (9) + (10) + ... + (15)	12.55%	12.69%
	(17)	Target Loss Ratio = (7) - (8) - (16)	65.22%	65.48%
Rate Adjustment	(18)	Calculated Rate Adjustment = (6) / (17) - 1	19.22%	99.85%
	(19)	Proposed Rate Increase	19.22%	45.00%
	(20)	Projected Loss Ratio	65.22%	90.24%

* Accumulated Covered Expense Rider (ACE) rate increase development is based on nationwide experience

Development of Rate Adjustment Based on Trend, Experience and MLR

Idaho - MEGA

			Calculation	ACCUMULATED COVERED EXPENSE RIDER - NATIONWIDE
2013 Projection	(1)	Earned Premiums		6,398,865
data through August	(2)	Incurred Claims		7,513,026
	(3)	Loss Ratio	= (2) / (1)	117.41%
2014 Projection	(4)	Earned Premiums		4,751,344
absent Rate Adjustment	(5)	Incurred Claims		6,694,459
	(6)	Loss Ratio	= (5) / (4)	140.90%
Target Loss Ratio	(7)	Loss Ratio Rebate Standard		80.00%
	(8)	Credibility Adjustment		1.99%
	(9)	State Premium Taxes		2.38%
	(10)	Federal Income Tax		4.68%
	(11)	Health Insurer Tax		2.40%
	(12)	Transitional Reinsurance Program Fee		2.20%
	(13)	Risk Adjustment Fee		0.03%
	(14)	PCORI Admin Fee		0.08%
	(15)	Other Fees and Assessments		0.91%
	(16)	Total Fees & Assessments	= (9) + (10) + ... + (15)	12.69%
	(17)	Target Loss Ratio	= (7) - (8) - (16)	65.33%
Rate Adjustment	(18)	Calculated Rate Adjustment	= (6) / (17) - 1	115.68%
	(19)	Proposed Rate Increase		45.00%
	(20)	Projected Loss Ratio		97.17%

* Accumulated Covered Expense Rider (ACE) rate increase development is based on nationwide experience

Development of Rate Adjustment Based on Trend, Experience and MLR

Louisiana - MEGA

		Calculation	NON SCHEDULED PLANS	ACCUMULATED COVERED EXPENSE RIDER - NATIONWIDE
2013 Projection	(1)	Earned Premiums	750,159	7,024,696
data through August	(2)	Incurred Claims	612,386	7,650,846
	(3)	Loss Ratio = (2) / (1)	81.63%	108.91%
2014 Projection	(4)	Earned Premiums	548,008	5,208,222
absent Rate Adjustment	(5)	Incurred Claims	500,711	6,815,196
	(6)	Loss Ratio = (5) / (4)	91.37%	130.85%
Target Loss Ratio	(7)	Loss Ratio Rebate Standard	80.00%	80.00%
	(8)	Credibility Adjustment	3.08%	1.84%
	(9)	State Premium Taxes	2.28%	2.38%
	(10)	Federal Income Tax	4.68%	4.68%
	(11)	Health Insurer Tax	2.40%	2.40%
	(12)	Transitional Reinsurance Program Fee	2.20%	2.20%
	(13)	Risk Adjustment Fee	0.03%	0.03%
	(14)	PCORI Admin Fee	0.08%	0.08%
	(15)	Other Fees and Assessments	0.92%	0.92%
	(16)	Total Fees & Assessments = (9) + (10) + ... + (15)	12.59%	12.70%
	(17)	Target Loss Ratio = (7) - (8) - (16)	64.33%	65.47%
Rate Adjustment	(18)	Calculated Rate Adjustment = (6) / (17) - 1	42.04%	99.88%
	(19)	Proposed Rate Increase	20.00%	45.00%
	(20)	Projected Loss Ratio	76.14%	90.24%

* Accumulated Covered Expense Rider (ACE) rate increase development is based on nationwide experience

Development of Rate Adjustment Based on Trend, Experience and MLR

Missouri - MEGA

		Calculation	ALL PRODUCT TYPES EXCEPT FOR ACE RIDER	ACCUMULATED COVERED EXPENSE (ACE) RIDER - NATIONWIDE
2013 Projection	(1)	Earned Premiums	2,232,750	6,398,865
data through August	(2)	Incurred Claims	1,721,043	7,513,026
	(3)	Loss Ratio = (2) / (1)	77.08%	117.41%
2014 Projection	(4)	Earned Premiums	1,606,385	4,751,344
absent Rate Adjustment	(5)	Incurred Claims	1,316,430	6,694,459
	(6)	Loss Ratio = (5) / (4)	81.95%	140.90%
Target Loss Ratio	(7)	Loss Ratio Rebate Standard	80.00%	80.00%
	(8)	Credibility Adjustment	2.99%	1.99%
	(9)	State Premium Taxes	2.40%	2.38%
	(10)	Federal Income Tax	4.68%	4.68%
	(11)	Health Insurer Tax	2.40%	2.40%
	(12)	Transitional Reinsurance Program Fee	2.20%	2.20%
	(13)	Risk Adjustment Fee	0.03%	0.03%
	(14)	PCORI Admin Fee	0.08%	0.08%
	(15)	Other Fees and Assessments	0.91%	0.91%
	(16)	Total Fees & Assessments = (9) + (10) + ... + (15)	12.70%	12.69%
	(17)	Target Loss Ratio = (7) - (8) - (16)	64.31%	65.33%
Rate Adjustment	(18)	Calculated Rate Adjustment = (6) / (17) - 1	27.43%	115.68%
	(19)	Proposed Rate Increase	20.00%	45.00%
	(20)	Projected Loss Ratio	68.29%	97.17%

* Accumulated Covered Expense Rider (ACE) rate increase development is based on nationwide experience

Development of Rate Adjustment Based on Trend, Experience and MLR

North Carolina - MEGA

			Calculation	ACCUMULATED COVERED EXPENSE RIDER - NATIONWIDE
2013 Projection	(1)	Earned Premiums		6,398,865
data through August	(2)	Incurred Claims		7,513,026
	(3)	Loss Ratio	= (2) / (1)	117.41%
2014 Projection	(4)	Earned Premiums		4,751,344
absent Rate Adjustment	(5)	Incurred Claims		6,694,459
	(6)	Loss Ratio	= (5) / (4)	140.90%
Target Loss Ratio	(7)	Loss Ratio Rebate Standard		80.00%
	(8)	Credibility Adjustment		1.99%
	(9)	State Premium Taxes		2.38%
	(10)	Federal Income Tax		4.68%
	(11)	Health Insurer Tax		2.40%
	(12)	Transitional Reinsurance Program Fee		2.20%
	(13)	Risk Adjustment Fee		0.03%
	(14)	PCORI Admin Fee		0.08%
	(15)	Other Fees and Assessments		0.91%
	(16)	Total Fees & Assessments	= (9) + (10) + ... + (15)	12.69%
	(17)	Target Loss Ratio	= (7) - (8) - (16)	65.33%
Rate Adjustment	(18)	Calculated Rate Adjustment	= (6) / (17) - 1	115.68%
	(19)	Proposed Rate Increase		45.00%
	(20)	Projected Loss Ratio		97.17%

* Accumulated Covered Expense Rider (ACE) rate increase development is based on nationwide experience

Development of Rate Adjustment Based on Trend, Experience and MLR

Nebraska - MEGA

		Calculation	ALL PRODUCT TYPES EXCEPT FOR ACE RIDER	ACCUMULATED COVERED EXPENSE (ACE) RIDER - NATIONWIDE
2013 Projection	(1)	Earned Premiums	1,921,281	6,398,865
data through August	(2)	Incurred Claims	1,566,516	7,513,026
	(3)	Loss Ratio = (2) / (1)	81.53%	117.41%
2014 Projection	(4)	Earned Premiums	1,398,048	4,751,344
absent Rate Adjustment	(5)	Incurred Claims	1,255,548	6,694,459
	(6)	Loss Ratio = (5) / (4)	89.81%	140.90%
Target Loss Ratio	(7)	Loss Ratio Rebate Standard	80.00%	80.00%
	(8)	Credibility Adjustment	3.19%	1.99%
	(9)	State Premium Taxes	2.29%	2.38%
	(10)	Federal Income Tax	4.68%	4.68%
	(11)	Health Insurer Tax	2.40%	2.40%
	(12)	Transitional Reinsurance Program Fee	2.20%	2.20%
	(13)	Risk Adjustment Fee	0.03%	0.03%
	(14)	PCORI Admin Fee	0.08%	0.08%
	(15)	Other Fees and Assessments	0.91%	0.91%
	(16)	Total Fees & Assessments = (9) + (10) + ... + (15)	12.59%	12.69%
	(17)	Target Loss Ratio = (7) - (8) - (16)	64.22%	65.33%
Rate Adjustment	(18)	Calculated Rate Adjustment = (6) / (17) - 1	39.84%	115.68%
	(19)	Proposed Rate Increase	20.00%	45.00%
	(20)	Projected Loss Ratio	74.84%	97.17%

* Accumulated Covered Expense Rider (ACE) rate increase development is based on nationwide experience

Development of Rate Adjustment Based on Trend, Experience and MLR

Oregon - MEGA

		Calculation	SCHEDULED PLANS	ACCUMULATED COVERED EXPENSE RIDER - NATIONWIDE
2013 Projection	(1)	Earned Premiums	2,242,539	6,398,865
data through August	(2)	Incurred Claims	1,503,580	7,513,026
	(3)	Loss Ratio = (2) / (1)	67.05%	117.41%
2014 Projection	(4)	Earned Premiums	1,665,173	4,751,344
absent Rate Adjustment	(5)	Incurred Claims	1,172,291	6,694,459
	(6)	Loss Ratio = (5) / (4)	70.40%	140.90%
Target Loss Ratio	(7)	Loss Ratio Rebate Standard	80.00%	80.00%
	(8)	Credibility Adjustment	1.70%	1.99%
	(9)	State Premium Taxes	2.25%	2.38%
	(10)	Federal Income Tax	4.68%	4.68%
	(11)	Health Insurer Tax	2.40%	2.40%
	(12)	Transitional Reinsurance Program Fee	2.20%	2.20%
	(13)	Risk Adjustment Fee	0.03%	0.03%
	(14)	PCORI Admin Fee	0.08%	0.08%
	(15)	Other Fees and Assessments	0.91%	0.91%
	(16)	Total Fees & Assessments = (9) + (10) + ... + (15)	12.55%	12.69%
	(17)	Target Loss Ratio = (7) - (8) - (16)	65.74%	65.33%
Rate Adjustment	(18)	Calculated Rate Adjustment = (6) / (17) - 1	7.08%	115.68%
	(19)	Proposed Rate Increase	7.08%	45.00%
	(20)	Projected Loss Ratio	65.74%	97.17%

* Accumulated Covered Expense Rider (ACE) rate increase development is based on nationwide experience

Development of Rate Adjustment Based on Trend, Experience and MLR

Pennsylvania - MEGA

		Calculation	NON SCHEDULED PLANS	ACCUMULATED COVERED EXPENSE RIDER - NATIONWIDE
2013 Projection	(1)	Earned Premiums	1,308,044	6,398,865
data through August	(2)	Incurred Claims	1,067,486	7,513,026
	(3)	Loss Ratio = (2) / (1)	81.61%	117.41%
2014 Projection	(4)	Earned Premiums	971,274	4,751,344
absent Rate Adjustment	(5)	Incurred Claims	887,769	6,694,459
	(6)	Loss Ratio = (5) / (4)	91.40%	140.90%
Target Loss Ratio	(7)	Loss Ratio Rebate Standard	80.00%	80.00%
	(8)	Credibility Adjustment	1.77%	1.99%
	(9)	State Premium Taxes	2.25%	2.38%
	(10)	Federal Income Tax	4.68%	4.68%
	(11)	Health Insurer Tax	2.40%	2.40%
	(12)	Transitional Reinsurance Program Fee	2.20%	2.20%
	(13)	Risk Adjustment Fee	0.03%	0.03%
	(14)	PCORI Admin Fee	0.08%	0.08%
	(15)	Other Fees and Assessments	0.91%	0.91%
	(16)	Total Fees & Assessments = (9) + (10) + ... + (15)	12.55%	12.69%
	(17)	Target Loss Ratio = (7) - (8) - (16)	65.67%	65.33%
Rate Adjustment	(18)	Calculated Rate Adjustment = (6) / (17) - 1	39.18%	115.68%
	(19)	Proposed Rate Increase	20.00%	45.00%
	(20)	Projected Loss Ratio	76.17%	97.17%

* Accumulated Covered Expense Rider (ACE) rate increase development is based on nationwide experience

Development of Rate Adjustment Based on Trend, Experience and MLR

Texas - MEGA

		Calculation	ALL PRODUCT TYPES EXCEPT FOR ACE RIDER	ACCUMULATED COVERED EXPENSE (ACE) RIDER - NATIONWIDE
2013 Projection	(1)	Earned Premiums	18,878,810	7,024,696
data through August	(2)	Incurred Claims	13,333,328	7,650,846
	(3)	Loss Ratio = (2) / (1)	70.63%	108.91%
2014 Projection	(4)	Earned Premiums	13,710,310	5,208,222
absent Rate Adjustment	(5)	Incurred Claims	10,238,845	6,815,196
	(6)	Loss Ratio = (5) / (4)	74.68%	130.85%
Target Loss Ratio	(7)	Loss Ratio Rebate Standard	80.00%	80.00%
	(8)	Credibility Adjustment	1.12%	1.84%
	(9)	State Premium Taxes	2.25%	2.38%
	(10)	Federal Income Tax	4.68%	4.68%
	(11)	Health Insurer Tax	2.40%	2.40%
	(12)	Transitional Reinsurance Program Fee	2.20%	2.20%
	(13)	Risk Adjustment Fee	0.03%	0.03%
	(14)	PCORI Admin Fee	0.08%	0.08%
	(15)	Other Fees and Assessments	0.91%	0.91%
	(16)	Total Fees & Assessments = (9) + (10) + ... + (15)	12.55%	12.69%
	(17)	Target Loss Ratio = (7) - (8) - (16)	66.33%	65.48%
Rate Adjustment	(18)	Calculated Rate Adjustment = (6) / (17) - 1	12.59%	99.85%
	(19)	Proposed Rate Increase	12.59%	45.00%
	(20)	Projected Loss Ratio	66.33%	90.24%

* Accumulated Covered Expense Rider (ACE) rate increase development is based on nationwide experience

Development of Rate Adjustment Based on Trend, Experience and MLR

Wyoming - MEGA

		Calculation	ALL PRODUCT TYPES EXCEPT FOR ACE RIDER	ACCUMULATED COVERED EXPENSE (ACE) RIDER - NATIONWIDE
2013 Projection	(1)	Earned Premiums	1,900,710	6,398,865
data through August	(2)	Incurred Claims	1,253,128	7,513,026
	(3)	Loss Ratio = (2) / (1)	65.93%	117.41%
2014 Projection	(4)	Earned Premiums	1,389,036	4,751,344
absent Rate Adjustment	(5)	Incurred Claims	982,829	6,694,459
	(6)	Loss Ratio = (5) / (4)	70.76%	140.90%
Target Loss Ratio	(7)	Loss Ratio Rebate Standard	80.00%	80.00%
	(8)	Credibility Adjustment	4.16%	1.99%
	(9)	State Premium Taxes	2.29%	2.38%
	(10)	Federal Income Tax	4.68%	4.68%
	(11)	Health Insurer Tax	2.40%	2.40%
	(12)	Transitional Reinsurance Program Fee	2.20%	2.20%
	(13)	Risk Adjustment Fee	0.03%	0.03%
	(14)	PCORI Admin Fee	0.08%	0.08%
	(15)	Other Fees and Assessments	0.91%	0.91%
	(16)	Total Fees & Assessments = (9) + (10) + ... + (15)	12.59%	12.69%
	(17)	Target Loss Ratio = (7) - (8) - (16)	63.24%	65.33%
Rate Adjustment	(18)	Calculated Rate Adjustment = (6) / (17) - 1	11.88%	115.68%
	(19)	Proposed Rate Increase	11.88%	45.00%
	(20)	Projected Loss Ratio	63.24%	97.17%

* Accumulated Covered Expense Rider (ACE) rate increase development is based on nationwide experience

Effective March 1, 2007


Life, Accident & Health, Annuity, Credit Transmittal Document

1.	Prepared for the State of District of Columbia						
2.	Department Use Only						
	State Tracking ID						
3.	Insurer Name & Address	Domicile	Insurer License Type	NAIC Group #	NAIC #	FEIN #	State #
	The MEGA Life and Health Insurance Company 9151 Boulevard 26, N Richland Hills, TX 76180	Oklahoma		264	97055	59-2213662	
4.	Contact Name & Address	Telephone #	Fax #	E-mail Address			
	Chanél Rodriguez 9151 Boulevard 26, N Richland Hills, TX 76180	(817) 255-6427	(817)255-8274	NRHAct-Comp@Hmkt.com			
5.	Requested Filing Mode	<input type="checkbox"/> Review & Approval <input type="checkbox"/> File & Use <input checked="" type="checkbox"/> Informational <input type="checkbox"/> Combination (please explain): _____ <input type="checkbox"/> Other (please explain): _____					
6.	Company Tracking Number	DC MEGA AG Situs 201403 DC MEGA 16099					
7.	<input checked="" type="checkbox"/> New Submission	<input type="checkbox"/> Resubmission	Previous File # _____				
8.	Market	<input checked="" type="checkbox"/> Individual <input type="checkbox"/> Franchise <div>Group</div> <div><input type="checkbox"/> Small <input type="checkbox"/> Large <input type="checkbox"/> Small and Large <input type="checkbox"/> Employer <input checked="" type="checkbox"/> Association <input type="checkbox"/> Blanket <input type="checkbox"/> Discretionary <input type="checkbox"/> Trust <input type="checkbox"/> Other: _____</div>					
9.	Type of Insurance	H15G - Group Health - Hospital/Surgical/Medical Expense					
10.	Product Coding Matrix Filing Code	H15G.001 - Any Size Group					
11.	Submitted Documents	<input type="checkbox"/> Forms <div><input type="checkbox"/> Policy <input type="checkbox"/> Outline of Coverage <input type="checkbox"/> Certificate <input type="checkbox"/> Application/Enrollment <input type="checkbox"/> Rider/Endorsement <input type="checkbox"/> Advertising <input type="checkbox"/> Schedule of Benefits <input type="checkbox"/> Other: _____</div> <input checked="" type="checkbox"/> Rates <div><input type="checkbox"/> New Rate <input checked="" type="checkbox"/> Revised Rate</div> <input type="checkbox"/> FILING OTHER THAN FORM OR RATE: Please explain: _____ SUPPORTING DOCUMENTATION <div><input type="checkbox"/> Articles of Incorporation <input type="checkbox"/> Third Party Authorization <input type="checkbox"/> Association Bylaws <input type="checkbox"/> Trust Agreements <input type="checkbox"/> Statement of Variability <input type="checkbox"/> Certifications <input checked="" type="checkbox"/> Actuarial Memorandum <input type="checkbox"/> Other: _____</div>					

Effective March 1, 2007

12.	Filing Submission Date	1/14/2014
13.	Filing Fee (If required)	Amount _____ Retaliatory <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Check Date _____ Check Number _____
14.	Date of Domiciliary Approval	

15.	Filing Description:
	<p>We are filing rate changes for your information to our Grandfathered association group health benefit plans. The rate change will be effective for Grandfathered members on 3/1/2014; or 4/1/2014 in the states that requires 45 to 60 days member notice.</p>

16.	Certification (If required)
<p>I HEREBY CERTIFY that I have reviewed the applicable filing requirements for this filing, and complies with all applicable statutory and regulatory provisions for the state of _____ District of Columbia.</p> <p>Print Name <u>Robert W. Darnell, ASA, MAAA</u> Title <u>Pricing Actuary</u></p> <p>Signature <u></u> Date <u>1/14/2014</u></p>	

Effective March 1, 2007

17.	Form Filing Attachment
This filing transmittal is part of company tracking number	DC MEGA AG Situs 201403 DC MEGA 16099
This filing corresponds to rate filing company tracking number	

	Document Name Description	Form Number		Replaced Form Number Previous State Filing Number
01			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
02			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
03			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
04			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
05			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
06			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
07			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
08			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
09			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
10			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	

LH FFA-1

Effective March 1, 2007

18.		Rate Filing Attachment	
This filing transmittal is part of company tracking number		DC MEGA AG Situs 201403 DC MEGA 16099	
This filing corresponds to form filing company tracking number			
Overall percentage rate indication (when applicable)		%	
Overall percentage rate impact for this filing		- %	
	Document Name Description	Affected Form Numbers	Previous State Filing Number
01		DC MEGA AG Situs	<input type="checkbox"/> New <input checked="" type="checkbox"/> Revised Request + ____ % - ____ % <input type="checkbox"/> Other ____
02			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____ % - ____ % <input type="checkbox"/> Other ____
03			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____ % - ____ % <input type="checkbox"/> Other ____
04			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____ % - ____ % <input type="checkbox"/> Other ____
05			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____ % - ____ % <input type="checkbox"/> Other ____
06			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____ % - ____ % <input type="checkbox"/> Other ____
07			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____ % - ____ % <input type="checkbox"/> Other ____
08			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____ % - ____ % <input type="checkbox"/> Other ____
09			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____ % - ____ % <input type="checkbox"/> Other ____
10			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____ % - ____ % <input type="checkbox"/> Other ____

LH RFA-1